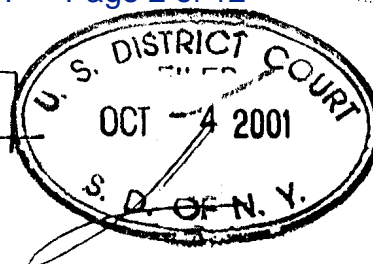


Attachment H

DOC # 27



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
ERIC EISMANN, Individually And On Behalf Of Himself :
And All Others Similarly Situated, :

Plaintiff, :

-against- :

GLOBALSTAR TELECOMMUNICATIONS, LIMITED, :
BERNARD SCHWARTZ, LORAL SPACE & :
COMMUNICATIONS LTD., :

Defendants. :

-----X
CHAIM KRAUS, On Behalf Of Herself :
And All Others Similarly Situated, :

Plaintiff, :

-against- :

GLOBALSTAR TELECOMMUNICATIONS, LIMITED, :
BERNARD SCHWARTZ, LORAL SPACE & :
COMMUNICATIONS LTD., :

Defendants. :

-----X
L.A. MURPHY, On Behalf Of Herself :
And All Others Similarly Situated, :

Plaintiff, :

-against- :

GLOBALSTAR TELECOMMUNICATIONS, LIMITED, :
BERNARD SCHWARTZ, and LORAL SPACE & :
COMMUNICATIONS LTD. :

Defendants. :
-----X

01 Civ. 1748 (SHS) •

ORDER

01 Civ. 1843 (SHS)

01 Civ. 1854 (SHS)

-3 02 PM

OCT - 4 2001

EDDIE MAIORINO, On Behalf Of Himself
And All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, LORAL SPACE &
COMMUNICATIONS LTD.,

Defendants.

DAMON DAVIS, Individually And On Behalf Of
All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, LORAL SPACE &
COMMUNICATIONS LTD.,

Defendants.

ISKANDER BATYREV, Individually And On Behalf Of
All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, LORAL SPACE &
COMMUNICATIONS LTD.,

Defendants.

SHELLY GARFINKEL, On Behalf Of Herself
And All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, and LORAL SPACE &
COMMUNICATIONS LTD.

Defendants.

SEQUOIA LAND DEVELOPMENT, INC.,
On Behalf Of Itself And All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, ANTHONY NAVARRA,
MICHAEL DEBLASIO,

Defendants.

MICHAEL CESAR, Trustee For The Howard Gunt
PProfit Sharing Plan, Individually And On Behalf Of
All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, LORAL SPACE &
COMMUNICATIONS LTD.,

Defendants.

COLIN BARRY, On Behalf Of Himself
And All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, LORAL SPACE &
COMMUNICATIONS LTD.,

Defendants.

JAMES D. ATLAS, Individually And
On Behalf Of All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, ANTHONY NAVARRA,
MICHAEL DEBLASIO, LORAL SPACE &
COMMUNICATIONS LTD.,

Defendants.

LAWRENCE PHILLIPS, Individually And On Behalf
Of All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, and LORAL SPACE &
COMMUNICATIONS LTD.

Defendants.

-----X
KENT A. HILLEMEIR, Individually And On Behalf
Of All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, LORAL SPACE &
COMMUNICATIONS LTD.

Defendants.
-----X

01 Civ. 2674 (SHS)

SARAH HARMAN, On Behalf Of Herself
And All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, LORAL SPACE &
COMMUNICATIONS LTD.,

Defendants.
-----X

01 Civ. 2680 (SHS)

PABLO LOZZA, On Behalf Of Himself
And All Others Similarly Situated,

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
BERNARD SCHWARTZ, LORAL SPACE &
COMMUNICATIONS LTD.,

Defendants.
-----X

01 Civ. 2778 (SHS)

-----X
 JOSEPH MEYERS And EUDICE MEYERS,
 On Behalf Of Themselves And All Others
 Similarly Situated,

01 Civ. 2801 (SHS)

Plaintiff,

-against-

GLOBALSTAR TELECOMMUNICATIONS, LIMITED,
 BERNARD SCHWARTZ, ANTHONY NAVARRA,
 MICHAEL DEBLASIO, LORAL SPACE &
 COMMUNICATIONS LTD.,

Defendants.
 -----X

SIDNEY H. STEIN, U.S. District Judge.

In these securities class actions, various plaintiffs allege that defendants issued a series of false and misleading statements concerning the business prospects of Globalstar Telecommunications Ltd. from December 6, 1999 to October 27, 2000.¹ Plaintiffs allege that defendants misrepresented that Globalstar, a mobile telephone service company, was performing well, when, in fact, it was experiencing regulatory and marketing problems.

Five groups of plaintiffs originally moved for consolidation of the actions and appointment as lead plaintiff and for approval of their selection of counsel as class counsel. Leonard Shubitz subsequently withdrew his motion, and the Debt Purchasers group and 11.5% Bond Purchasers group ultimately agreed to move together as one proposed group with co-lead counsel ("Bond Purchasers"). Desmond Shamos and Victor Hirmas have not formally

¹Certain of the cases allege that the class period runs from February 19, 1999 to October 13, 2000.

withdrawn their motion, however they have not filed any papers opposing the motions made by other proposed lead plaintiffs. The Phillips Family and Maurice Ian Winn still seek to be appointed lead plaintiffs along with the newly formed group of Bond Purchasers. Because the Phillips Family has the largest financial interest in the relief sought by the class and is not subject to unique defenses, the Court finds that the Phillips Family is the most adequate plaintiff pursuant to the Private Securities Litigation Reform Act of 1995 (PSLRA).

The PSLRA creates a presumption that the most adequate party to act as lead plaintiff in a securities class action is the one with “the largest financial interest in the relief sought by the class.” 15 U.S.C. § 78u-4(a)(3)(B)(iii)(I)(bb). Furthermore, plaintiffs must demonstrate that they are not subject to any unique defenses and that they do not suffer from a conflict of interest. See In re Microstrategy Inc. Securities Litig., 110 F. Supp. 2d 427, 433 (E.D.Va. 2000); In re Tyco International, Ltd. Securities Litig., 2000 WL 1513772, at *6 (D. N.H. 2000).

The Phillips Family – comprised of Lawrence Phillips, Mark Phillips, Michael Phillips and Julianna Maio – suffered the largest financial loss, approximately \$4 million, and thus is presumed to be the most adequate plaintiff. (Nespole Decl. Ex. C.)² Most of this loss stems from investments in Globalstar common stock; however, Michael Phillips also sustained a loss of \$362,000 in bond investments. The Bond Purchasers group as a whole sustained \$207,000 worth of losses – solely in bond investments – and thus does not have the largest financial interest.

²The Bond Purchasers contend that Michael Phillips “shorted” the stock, and therefore actually made money when its price fell. Although Phillips did sell approximately 117,000 shares of stock on January 5, 2000, out of his holding of 270,000 shares, this was stock that he had bought before the class period had begun. (Phillips Decl. annexed to Phillips Family Reply Mem. as Ex. I.) Thus, it was not a “short” sale, and Phillips declares that he has “never held a short position or been a short seller of Globalstar stock.” (Id.)

Shamos and Hirmas sustained approximately \$ 525,000 worth of losses – solely in common stock investments – and so they too do not have the largest financial interest.

Although Maurice Ian Winn moves as a co-plaintiff along with the Phillips Family, and has sustained a loss of more than \$2 million from investments in Globalstar common stock, he is not an appropriate lead plaintiff because he may be subject to unique defenses. Winn was instrumental in creating an internet message board in which he encouraged investors in Globalstar stock to pull their stock from margin accounts where their brokers could loan the shares to short-sellers. (Debt Purchasers Mem. Ex. C, D.) Winn's stated intention was to drive the stock price back up. (*Id.*) Even so, an attempt to create a unified effort to influence a stock will most likely raise defenses that are relevant only to Winn, cutting against his selection as lead plaintiff.

The Bond Purchasers contend that the Phillips Family suffers from a conflict of interest in representing both investors in stock and investors in bonds because the Phillips Family sustained a significantly higher loss from stock investments than from bond investments, and thus, is more likely to look out for the interests of stock investors than the interests of bond investors. Courts have rejected similar theoretical conflicts between those plaintiffs who still hold equity in the company and those who do not. See In re Oxford Health Plans, Inc., 191 F.R.D. 369, 377-78 (S.D.N.Y. 2000). While there may be a conflict between bond holders and stock holders at the damages stage of the proceedings, the differences between these types of investments do not affect the liability stage because both types of plaintiffs need to prove a common set of operative facts in order to sustain their claims. Courts find that the better practice pursuant to the PSLRA is to appoint one lead plaintiff or one group of lead plaintiffs at this

initial stage and to create various sub classes with appropriate representatives at the class-certification stage if necessary. See In re Oxford, 191 F.R.D. at 373; In re Oxford Health Plans, Inc. Securities Litigation, 182 F.R.D. 42, 51 (S.D.N.Y. 1998); Greenberg v. Bear Sterns & Co., Inc., 80 F. Supp.2d 65, 70 (E.D.N.Y. 2000); In re Olsten Corp. Securities Litig., 3 F. Supp. 2d 286, 296 (E.D.N.Y. 1998); In re Microstrategy, 110 F. Supp. 2d at 440; In re Tyco, 2000 WL 1513772, at *6 (“While the potential for conflict based on the different remedies available . . . is real, the lead plaintiff determination is not the appropriate stage in the litigation to address this concern.”); Queen Uno Ltd. Partnership v. Coeur D’Alene Mines Corp., 183 F.R.D. 687, 693-94 (D. Colo. 1998); see also Endo v. Albertine, 147 F.R.D. 164 (N.D.Ill. 1993) (“[A] class composed of stock and debenture purchasers can be represented by a purchaser of only one type of security.”). Thus, in the interest of judicial economy, the Court declines to appoint two distinct groups of lead plaintiffs, one representing stock purchasers and one representing bond purchasers.

Finally, the Court finds that the selection of Cohen, Milstein, Hausfeld & Toll, P.L.L.C. by the Phillips Family as class counsel is adequate to represent both equity purchasers and bond purchasers. The firm has extensive experience with securities class actions such as this one. (Nespole Decl. Ex. E.)

Accordingly, it is hereby ORDERED that:

1. The above captioned actions are consolidated into one action (“Consolidated Action”) for all purposes including, but not limited to, discovery, pretrial proceedings, and trial

proceedings, pursuant to Fed. R. Civ. P. 42(a).

2. This Order shall apply as specified to the Consolidated Action and to each case that relates to the same subject matter that is subsequently filed in this Court or transferred to this Court and is consolidated with the Consolidated Action.

3. A Master File is hereby established for this Consolidated Action. The files of this action shall be maintained in one file under Master File No. 01 Civ. 1748 (SHS).

4. Every pleading filed in the Consolidated Action shall have the following caption:

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
IN RE GLOBALSTAR SECURITIES LITIGATION : 01 Civ. 1748 (SHS)
-----X

5. The parties shall notify the Court of any other action which is pending or filed outside this district which may be related to the subject matter of these consolidated actions if and when they become aware of such actions.

6. Pursuant to section 21D(a)(3)(B) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(3)(B), the members of Phillips Family are appointed lead plaintiffs for the class.

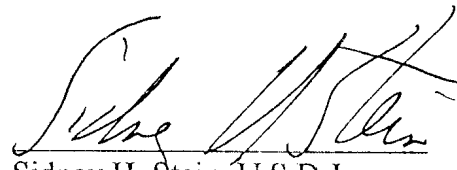
7. Lead plaintiffs' selection of Cohen, Milstein, Hausfeld & Toll, P.L.L.C. is approved pursuant to section 21D(a)(3)(B)(V) of the 1934 Act, 15 U.S.C. § 78u-4(a)(3)(B)(V). That firm is appointed lead counsel in the consolidated action.

8. Lead plaintiffs shall file a consolidated complaint no later than 45 days from the date of the entry of this Order. The consolidated complaint shall be treated as if it were the original complaint in the actions consolidated herein, except that all defendants shall have 45 days after

the filing and service of the consolidated complaint to answer or otherwise respond.

Date: New York, New York
September 26, 2001

SO ORDERED:



Sidney H. Stein, U.S.D.J.